

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

#### SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 3, 2001, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

#### FEDERAL HOUSING ENTERPRISE OVERSIGHT FUNDING REFORM ACT OF 2002

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. BENTSEN) is recognized for 5 minutes.

Mr. BENTSEN. Mr. Speaker, I rise today, along with the gentleman from Louisiana (Mr. BAKER), the gentleman from Pennsylvania (Mr. KANJORSKI), and the gentlewoman from New York (Mrs. MALONEY), to introduce legislation that will provide a mandatory funding stream for the Office of Federal Housing Enterprise Oversight, the Federal safety and soundness regulator for the housing government-sponsored enterprises. Like that of other financial market regulators, I believe that there is a real need for this reform legislation because under current law, OFHEO's budget is subject to the annual appropriations process.

OFHEO is the financial safety and soundness regulator for the two housing government-sponsored enterprises, Fannie Mae and Freddie Mac. These enterprises are two of the largest nonbank financial companies in the world. At the end of 1992, the GSEs' portfolio held 19 percent of loans on their books and 81 percent in the form of mortgage-backed securities.

By March 2002, the housing GSEs held 43 percent of their assets on their books. As the Nation's mortgage markets have expanded, so too have the positions held directly by the GSEs, thus increasing the need to manage risk.

Under current law, each year, Congress approves the overall amount of the OFHEO's budget as part of the Department of Veterans Affairs and Housing and Urban Development appropriations bill, and OFHEO's budget is paid for by semiannual assessments on the GSEs. As a result, taxpayers do not contribute toward the cost of regulating these enterprises. The current budget for OFHEO is \$27 million. President Bush's fiscal year 2003 budget request is \$30 million.

The President's fiscal year 2003 budget also included the recommendation that OFHEO's budget be removed from the appropriations process. By taking it off-budget, this will put OFHEO on the same level as other financial safety and soundness regulators such as the Office of the Comptroller of the Currency, the Office of Thrift Supervision, the Federal Housing Finance Board, the Federal Reserve Board, the Federal

Deposit Insurance Corporation, and the National Credit Union Administration.

By removing OFHEO's budget from the appropriations process, my legislation would ensure that OFHEO has the flexibility to set its resources in response to a rapidly changing marketplace. Since the creation of OFHEO in 1993, the GSEs have more than doubled in size and have developed innovative mortgage, debt, and derivative products which require effective oversight by OFHEO. While subject to congressional oversight and authorization, annual review of the OFHEO budget is cumbersome and prevents long-term planning by OFHEO. For example, under the current continuing resolution process, OFHEO must curtail its operations until their final, full appropriation is enacted.

This year, OFHEO is operating with a \$27 million budget and does not yet know if their higher budget will be approved by Congress and as requested by the President. As a result, personnel and planning must wait until Congress approves a final bill.

Congress has long recognized that the safety and soundness regulators should have flexibility to respond to changes in the marketplace without restrictions of the annual appropriations process. This has proven quite successful in previous banking and thrift crises. The two housing GSEs of Fannie Mae and Freddie Mac remain financially sound. And recent voluntary changes by those institutions in disclosure and reporting practices, along with the implementation of OFHEO's risk-based capital standards, have enhanced their safety and soundness. Yet concern has been raised about the duration of gaps between the companies' assets and liabilities due to the recent decline in interest and mortgage rates.

While I believe both institutions are sufficiently capitalized and liquid to withstand the current market volatility, I also believe their regulator must be sufficiently empowered to protect the public's interest.

This legislation will not add cost to the budget or to the taxpayers since OFHEO's funds are raised through assessments on the GSE.

I also believe that congressional oversight of OFHEO will continue to be vigilant. This bill in no way lessens the existing oversight by the authorizing committees. Under the bill, OFHEO would be required to submit copies of its financial plans, forecasts, and reports to the Secretary of Housing and Urban Development and the Office of Management and Budget. In addition, OFHEO would be required to submit the results and conclusions of its examinations to Congress to ensure that Congress has the information it needs to review OFHEO's actions. All enforcement actions by OFHEO would also be reported to Congress.

Mr. Speaker, I am filing this legislation today in hopes that it can be adopted either by itself or as part of an omnibus appropriations bill when Con-

gress returns for legislative activities after the November elections. There is much consensus between the Bush administration and many in Congress, including members of OFHEO's authorizing committee, who join me in sponsoring this bill. By enacting this otherwise minor budgetary change, Congress would be ensuring continued stability in the financial markets with respect to the GSEs.

#### SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Member (at the request of Mr. BENTSEN) to revise and extend their remarks and include extraneous material:)

Mr. BENTSEN, for 5 minutes, today.

#### SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 209. An act for the relief of Sung Jun Oh; to the Committee on the Judiciary.

S. 453. An act for the relief of Denes and Gyorgyi Fulop; to the Committee on the Judiciary.

S. 963. An act for the relief of Ana Esparza and Maria Munoz; to the Committee on the Judiciary.

S. 969. An act to establish a Tick-Borne Disorders Advisory Committee, and for other purposes; to the Committee on Energy and Commerce.

S. 1366. An act for the relief of Lindita Idrizi Heath; to the Committee on the Judiciary.

S. 1468. An act for the relief of Ilko Vasilev Ivanov, Anelia Marinova Peneva, Marina Ilkova Ivanova, and Julia Ilkova Ivanova; to the Committee on the Judiciary.

S. 1868. An act to amend the National Child Protection Act of 1993, and for other purposes; to the Committee on the Judiciary.

S. 1950. An act for the relief of Richi James Lesley, to the Committee on the Judiciary.

S. 1998. An act to amend the Higher Education Act of 1965 with respect to the qualifications of foreign schools; to the Committee on Education and the Work Force.

S. 2239. An act to amend the National Housing Act to simplify the downpayment requirements for FHA mortgage insurance for single family homebuyers; to the committee on Financial Services.

S. 2527. An act to provide for health benefits coverage under chapter 89 of title 5, United States Code, for individuals enrolled in a plan administered by the Overseas Private Investment Corporation, and for other purposes; to the Committee on Government Reform.

S. 2530. An act to amend the Inspector General Act of 1978 (5 U.S.C. App.) to establish police powers for certain Inspector General agents engaged in official duties and provide an oversight mechanism for the exercise of those powers; to the Committee on Government Reform and the Committee on the Judiciary.

S. 2936. An act to amend chapter 84 of title 5, United States Code, to provide that certain Federal annuity computations are adjusted by 1 percentage point relating to periods of receiving disability payments, and for other